

Program C: Cluster Services

Program Authorization: R.S. 36:108 as amended by Acts 6, 7, 8, 9 and 12 of the 2001 Regular Legislative Session.

Program Description

The mission of the Cluster Services Program is to position Louisiana to compete effectively in a globally competitiveness marketplace by developing economic growth in fifteen clusters that are organized into nine cluster groups: Advanced Materials, Agriculture, Forest and Food Products and Technology; Durable Goods Manufacturing; Entertainment; Information Technology; Logistics/Transportation; Medical/Biomedical/Biotechnology/Health Care; Oil and Gas; and Petrochemical/Refining and Environmental Technology.

The goals of the Cluster Services Program are:

1. To implement a tracking system for monitoring and assessing the effectiveness of the cluster services program.
2. To recruit targeted companies to locate businesses or facilities in Louisiana.
3. To facilitate the retention and expansion of Louisiana companies.
4. To provide a nurturing environment for new entrepreneurs to establish and grow companies in Louisiana.
5. To build economic partnerships within the state.
6. To increase awareness and visibility of targeted industries in Louisiana.

The Cluster Services Program markets Louisiana to targeted clusters of in-state, out-of-state, and international businesses; assists potential and existing Louisiana exporters; maintains foreign offices to provide entrée into various global markets. The Cluster Services Program has one activity: Cluster Services. The Cluster Services activity identifies Louisiana companies and facilitates the development of the cluster by cultivation and support of startup companies, expansion and retention of existing companies, targeted recruiting, and collaboration with universities, regional representatives and local economic partners.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 2000-2001	ACT 12 2001-2002	EXISTING 2001-2002	CONTINUATION 2002-2003	RECOMMENDED 2002-2003	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$1,767,129	\$2,327,189	\$2,327,189	\$2,345,851	\$2,504,177	\$176,988
STATE GENERAL FUND BY:						
Interagency Transfers	50,000	50,000	50,000	50,000	50,000	0
Fees & Self-gen. Revenues	18,334	40,000	40,000	40,000	40,000	0
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	\$1,835,463	\$2,417,189	\$2,417,189	\$2,435,851	\$2,594,177	\$176,988
EXPENDITURES & REQUEST:						
Salaries	\$997,095	\$1,227,096	\$1,227,096	\$1,233,854	\$1,449,639	\$222,543
Other Compensation	16,320	0	0	0	0	0
Related Benefits	181,853	225,223	225,223	226,200	248,324	23,101
Total Operating Expenses	207,248	455,308	455,308	466,235	428,652	(26,656)
Professional Services	289,342	327,860	327,860	327,860	327,860	0
Total Other Charges	143,605	181,702	181,702	181,702	139,702	(42,000)
Total Acq. & Major Repairs	0	0	0	0	0	0
TOTAL EXPENDITURES AND REQUEST	\$1,835,463	\$2,417,189	\$2,417,189	\$2,435,851	\$2,594,177	\$176,988
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	25	8	8	8	8	0
Unclassified	0	9	9	9	10	1
TOTAL	25	17	17	17	18	1

SOURCE OF FUNDING

This program is funded with State General Fund, Interagency Transfers, and Fees and Self-generated Revenues. The Interagency Transfer is from the Department of Environmental Quality for support of one position to assist in assessing and developing expertise for marketing environmental cluster-based initiatives. Fees and Self-generated Revenues are based upon Act 12 of 2001 Legislative Session. This act authorizes the department to collect a matching share of utility expenses for its Europe office from investors.

	ACTUAL	ACT 12	EXISTING	CONTINUATION	RECOMMENDED	RECOMMENDED
	2000-2001	2001-2002	2001-2002	2002-2003	2002-2003	OVER/(UNDER)
						EXISTING
Marketing Fund	\$0	\$0	\$0	\$0	\$0	\$0
Small Business Surety Bonding Fund	\$0	\$0	\$0	\$0	\$0	\$0
Louisiana Economic Development Fund	\$0	\$0	\$0	\$0	\$0	\$0
Workforce Development Fund	\$0	\$0	\$0	\$0	\$0	\$0
Economic Development Award Program	\$0	\$0	\$0	\$0	\$0	\$0
Deficit Elimination/Capital Outlay Escrow Replenishment Fu	\$0	\$0	\$0	\$0	\$0	\$0

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$2,327,189	\$2,417,189	17	ACT 12 FISCAL YEAR 2001-2002
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$2,327,189	\$2,417,189	17	EXISTING OPERATING BUDGET - December 20, 2001
\$4,895	\$4,895	0	Annualization of FY 2001-2002 Classified State Employees Merit Increase
\$2,840	\$2,840	0	Classified State Employees Merit Increases for FY 2002-2003
\$43,308	\$43,308	0	Unclassified State Employees Merit Increases for FY 2002-2003
\$77,945	\$77,945	0	Salary Base Adjustment
\$130,000	\$130,000	1	Funding provided for a Military Cluster Director Position. The director will address the military and defense related economic issues.
(\$82,000)	(\$82,000)	0	Other Technical Adjustment to transfer travel and special marketing activities to Business Services Program.
\$2,504,177	\$2,594,177	18	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$2,504,177	\$2,594,177	18	BASE EXECUTIVE BUDGET FISCAL YEAR 2002-2003
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$2,504,177	\$2,594,177	18	GRAND TOTAL RECOMMENDED

PROFESSIONAL SERVICES

\$87,038	Representative for Latin America Contract to promote Louisiana's economic development and trade internationally
\$134,822	Representative for Far East Contract to promote Louisiana's economic development and trade internationally
\$81,000	Representative for Europe Contract to promote Louisiana's economic development and trade internationally
\$25,000	Funds provided for the development of a micro systems cluster to identify areas for business development, technology transfer, commercialization, licensing, etc. and any other services deemed necessary.

\$327,860 TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

\$139,702 Special Marketing funds provided to use for escorting prospects, group activities, special events, and activities to promote economic activity and stimulate interest in Louisiana as a business location.

\$139,702 SUB-TOTAL OTHER CHARGES

Interagency Transfers:

\$0 Description

\$0 SUB-TOTAL INTERAGENCY TRANSFERS

\$139,702 TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

\$0 This program does not have funding for Acquisitions and Major Repairs for Fiscal Year 2002-2003.

\$0 TOTAL ACQUISITIONS AND MAJOR REPAIRS